

Legal Project Management – What’s In It For the Smaller Law Firm?

By [Carla Landry](#) on July 31, 2019

It happened in 2018 when I was leading a panel at the [Project Management for Lawyers](#) program. It’s an annual event hosted by the Practising Law Institute. If you haven’t been, I highly recommend you attend (live or online) in 2020.

Tim O’Leary, shareholder at [Sandberg Phoenix & von Gontard PC](#), began his presentation with a slide that read: “Legal Project Management – It’s *NOT* just for *BIG* firms anymore.”

O’Leary is definitely on to something. So, I borrowed his headline (again). He won’t mind. Because at that time he was coordinating his firm’s LPM implementation...and doing it quite successfully.

Legal Project Management: It’s *Not* Just for *Big* Firms Anymore

In 2019, we’re seeing more and more smaller firms deciding that they can reap the benefits of LPM.

Sandberg Phoenix, with over 150 attorneys, was a smaller firm intrigued by the promises of LPM. O’Leary says that although they were not pressured by clients to provide LPM, many of the reasons that drew them to the initiative were identical to those for BigLaw.

Of course, one of the most pressing reasons, for firms both large and small, is the seemingly evergreen issue of write-offs and write-downs (often referred to as “leakage”). When lawyers fail to properly scope and plan the work, price it accordingly, and work according to this plan, it can lead to unpleasant surprises for the client, as well as big hits to law firm profitability.

In fact, it may be even more important for smaller firms to implement LPM than it is for larger firms. That’s because law firms are increasingly delivering services at a lower cost. So as the field becomes more crowded than ever (e.g., alternative service providers), smaller firms can no longer afford to deliver exceptional service while competing on price.

Think about that. Price has been a historical go-to competitive advantage for smaller firms. But then, price was never going to be a sustainable competitive advantage anyway. Someone is always willing to go lower.

Competing on Smaller Firm Terms

That’s actually not bad news. Because it pushes the most progressive smaller firms to double down on what they do best:

- Foster relationships within the communities that they inhabit;
- Provide personalized service in ways that demonstrate empathy and understanding; and
- Support clients with clear channels of communication and a level of transparency that inspires trust.

These are value propositions that only the best smaller firms will attain and that large firms cannot easily match. LPM

supports this. And while minimizing leakage is important, the benefits for smaller firms goes far beyond.

Smaller firms can use LPM to be more competitive in the markets they serve. But, here's the catch: They have to get it right. If BigLaw provides LPM, smaller firms can do it just as well. And they will.

In February 2019, O'Leary was on my panel again. The panel was entitled, "Applying LPM in Smaller Legal Departments and Law Firms: It Applies to All Types of Law Practice, Large or Small." O'Leary further expounded on the concept of LPM for smaller firms, including in the discussion smaller law departments, as well.

And why not? LPM supports the extension of the unique ways in which both smaller firms and smaller law departments communicate with and provide service to their clients.

While smaller law departments don't have *exactly* the same concerns, the businesses that they serve do have options. Consequently, in-house counsel, too, must provide superior value, up to and including the re-invention of their business models in anticipation of the way corporations provides services in the future.

Smaller firms need to provide LPM even before they are asked. Like any competitive advantage, this one has a shelf life. Before it becomes part of the price of admission, smaller firms would be well served to get on board.

The Benefits of LPM in a Smaller Firm

When Bhavik Patel, Sandberg Phoenix's managing partner, pushed for LPM implementation, he had competitive advantage in mind. Firms that are successfully implementing LPM are able to track the statistics on the reduction in write-offs and write-downs, and they see the bottom line benefits. Estimates vary, but publicly firms have reported that they have reduced their leakage by over \$10 million per year with the use of LPM.

Just because smaller law firm clients may not specifically request LPM capabilities doesn't mean they can't reap the rewards. No one asked Sandberg Phoenix. But when you have it, they notice.

Sandberg Phoenix's leadership wanted to be able to demonstrate to its clients that "we care about you." They are giving clients what they never knew they wanted. And, for them, this was a smart business decision: LPM brings value to each and every client relationship.

In addition to a reduction in write-offs and write-downs and the resulting increase in firm profits, the benefits include better risk management, more efficient use of resources, greater consistency across offices, and improved teamwork.

Factors for LPM Success

Perhaps more so than their larger brethren, smaller firms don't have the luxury of getting it wrong. Their clients depend on them to execute all aspects of their communication well. If you're a smaller firm, you need a well-conceived strategy.

Sandberg Phoenix had one. Their approach was to start with just two pilot teams, and to build out from there. In order to get a variety of perspectives, the team included partners, associates, paralegals, and finance staff. LPM "cheerleaders," as O'Leary dubs them, were born out of these pilots and the success of the pilot teams.

Most smaller firms, including Sandberg Phoenix, are resource-constrained. So, with some experience under their belt, leadership decided that growing the program organically made sense. Internal resources took the reins, training two more

teams. O'Leary is now a department leader and has passed the LPM baton to another partner, Ben Haltenhob, a signal of senior leadership's commitment to the transformation and its cultural implications.

Do it Like the St. Louis Blues

The key for Sandberg Phoenix, as it will be for other smaller firms, is to proactively meet the anticipated demand. To coin a hackneyed Wayne Gretzki phrase, "Go to where the puck will be," a quote that is particularly salient in St. Louis in 2019 where Sandberg Phoenix is headquartered. After all, the St. Louis Blues recently won the Stanley Cup for the first time in their 52-year history. (Let's go Blues!)

But firms must get there before it becomes too crowded.

Patel made an inspired move, recognizing that LPM is what all clients will expect in the near future. And it's the way law firms—and law departments, too—ensure that they are delivering [value](#) as defined by their clients.

In order to succeed with LPM, I advise smaller firms to set the initiative as a priority and, possibly, outsource to make up for limited resources. At the end of the day, the expenditure is justified by the outcome, which is to strengthen the firm's value proposition and provide new ways to serve clients better.

Sandberg Phoenix recognized that LPM is a powerful part of the value that they bring. It is important for them to define success that takes into consideration their vision, as well as the benefit they provide to their clients. LPM is challenging but it can also be invigorating for your firm. The rewards are well worth the effort.

I think smaller firms are up for that challenge. Sandberg Phoenix & von Gontard PC leadership seems to think so.

Are you ready?